

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN**

SIERRA CLUB,)	
)	
Plaintiff,)	
)	
vs.)	
)	Civil Action No. 10-CV-511
WISCONSIN POWER AND LIGHT)	
COMPANY,)	
)	
Defendant.)	

JOINT SETTLEMENT STATUS REPORT

Plaintiff, Sierra Club, by its counsel, David Bender and Pamela McGillivray, McGillivray Westerberg & Bender LLC, and Defendant, Wisconsin Power and Light Company, by its counsel, Robert R. Clark and Scott R. Alexander of Taft, Stettinius & Hollister, LLP, hereby submit the Parties' Joint Settlement Status Report in light of the Court's January 4, 2012 order, which vacated all current case management deadlines and scheduled a new trial date.

SETTLEMENT STATUS REPORT

1. In the Parties' Joint Motion to Vacate All Scheduling Deadlines, Including the Trial Date, Pending the Entry of an Anticipated Consent Decree, the Parties committed to filing a settlement status report with the Court by February 15, 2012 if no Consent Decree was submitted to the Court by that date. As a Consent Decree has not yet been filed, the Parties provide the following settlement status report.

2. As this Court has been previously made aware, the Sierra Club and WPL executed a Settlement Framework on December 16, 2011, which outlines the major provisions to be incorporated into an anticipated Consent Decree to be filed in this matter.

3. However, the Parties to this case are not in complete control of a potential settlement, or its timing, because the EPA is not a party to this case. While not a party in this litigation, EPA is an important party to any overall settlement because of its own enforcement activities related to the Nelson Dewey, Columbia, and Edgewater Generating Stations, and because it is required by statute to have a role in the settlement of citizen enforcement actions pursuant to 42 U.S.C. § 7604(c)(3). In addition, the Parties would prefer, if possible, that the EPA be a signatory/party to a comprehensive settlement related to all existing and potential claims related to the matters at issue.

4. As a result, WPL, EPA, and the Sierra Club have continued to diligently work toward resolving remaining issues with the goal of submitting a comprehensive settlement decree to this Court pursuant to the process set forth in 42 U.S.C. § 7413(g) and 7604(c)(3) in the near future.

5. The EPA has been very responsive with respect to all recent settlement efforts. The recent settlement activities undertaken have included multiple teleconferences, correspondence, and an in-person meeting that occurred at EPA Headquarters in Washington D.C. on January 27, 2012 with representatives from WPL, the co-owners of the generating units at issue, the Sierra Club, EPA, and the U.S. Department of Justice.

6. These settlement efforts have been successful in narrowing and/or resolving some of the remaining issues. However, some additional work remains to be done on a small number of issues with respect to potentially reaching a comprehensive settlement.

7. Toward that end, WPL (and the co-owner representatives of the generating units at issue) anticipate presenting their next comprehensive settlement offer to EPA by February 17, 2012. In addition, all parties are trying to schedule yet another in-person meeting at EPA Headquarters in Washington D.C. in early March.

8. Pursuant to this Court's January 4, 2012 Order, the Parties will be prepared to discuss settlement status issues (as well as potential case management deadlines) at the Court's status conference scheduled for February 15, 2012.

Respectfully submitted,

/s/ Robert R. Clark

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